

State Senator • Irma Clark-Coleman

Serving the 3rd District Constituents in Detroit, Dearborn & River Rouge

A Budget Wrap-Up



Senator Irma-Clark Coleman worked very closely with Governor Jennifer Granholm to resolve the state budget crisis and lessen the impact of budget cuts on Southeastern Michigan.

How to Contact Me

Lansing Office

P.O. Box 30036
Lansing, MI 48909-7536
Toll-Free: 1-866-747-7803
Phone: 517-373-0990
Fax: 517-373-5338

Dearborn Office

4407 Roemer Street
Dearborn MI 48126-3485
Phone: 313-584-3479
Fax: 313-584-3937

E-mail

seniclarck-coleman@senate.
michigan.gov

Website

www.senate.michigan.gov/
dem/irmaclarkcoleman

Governor, Legislature Eliminate \$1.7 Billion Deficit Without Raising Taxes

Governor Granholm and the Michigan Legislature came together this summer to pass a budget bill which eliminates a \$1.7 billion deficit. Michigan is one of the few states that was able to deal with its budget crisis without raising taxes or seriously slashing support for public education.

The weeks of debate and discussion leading up to the final budget agreement were challenging as our state faced an enormous deficit. Declining tax revenues and a sagging national economy—combined with overly optimistic revenue projections and excessive use of one-time revenues by the previous administration—left Governor Granholm a dreary picture for 2004.

The final budget agreement, worked out by the Governor and legislative leadership, and passed by the House and Senate, is fiscally and socially responsible. State spending was reduced by approximately \$1 billion while our children and our

most vulnerable citizens were protected. Following are highlights of the final fiscal 2004 budget:

- Per-pupil funding will be maintained at \$6,700, preserving critical funding for schools across the state.
- The Governor's recommended School Rainy Day Fund will receive \$75 million from federal emergency funds. This special savings account will only be used to fund education programs in the event of further economic hardship.
- Preschool and early childhood education programs will be maintained at \$72.8 million in funding.
- Health care programs for those who need it most will be realized as the increase in Family Independence Agency (FIA) and Medicaid caseloads will be funded for the coming year.
- Michigan's land, water, and air will be cleaner as a result of new revenues that will increase environmental protection.

A Note from Senator Irma Clark-Coleman



New Budget Means a Decline in Local Revenue Sharing

	FY '03	FY '04	Net Decline
Dearborn	\$11,118,781	\$10,785,217	\$333,564
Detroit	\$319,693,937	\$310,103,119	\$9,590,818
River Rouge	\$1,736,745	\$1,684,643	\$52,102

Dear Constituent:

With the Michigan Legislature now in summer recess, I wanted to take this opportunity to give you an update on the state budget process and let you know what we are working on. As I'm sure you are aware, the financial situation in our state and nation is challenging right now. The decline in the national economy, coupled with a state budget deficit of nearly \$1.7 billion, has put our state in a precarious position.

When the Legislature opened session in January, we knew we would be faced with difficult decisions when it came to balancing the budget for fiscal year 2004. However, Governor Granholm showed great leadership in laying out a sound and responsible plan to get us back to fiscal stability and continued economic growth. The budget agreement passed by the Legislature in July was fiscally responsible—making the government lean, but not mean.

The recent budget process was especially challenging for Southeastern Michigan. I'm pleased that an agreement was hammered out that allowed us to keep Hutzel and Detroit Receiving Hospitals from closing. We were also successful in defeating an effort to place a grant eligibility cap on the Detroit Institute for the Arts. I wish, however, that more could have been done to prevent deep cuts in the Detroit Public Library and in revenue sharing to the City of Detroit, Dearborn, and River Rouge.

If you would like to reach me, contact information can be found on the front page of this newsletter. For your convenience, we also included a response form on the back of the newsletter listing various state publications that my office can provide. All of the listed publications are offered to the public free of charge.

Thank you again for the honor of representing our area in the Michigan State Senate.

Irma Clark-Coleman • State Senator • 3rd District

Budgets Impact on Southeastern Michigan

Agreement Gives New Life to Hutzel and Detroit Receiving Hospitals

State and local leaders reached an agreement this summer to provide \$50 million in federal funds to help the Detroit Medical Center keep all of its hospitals open as a transitional step to improve the center's operations. Detroit Medical Center officials had announced that if they did not receive some financial assistance they would have to partially close Hutzel and Detroit Receiving Hospitals.

The \$50 million aide package will depend on state and local funding, with at least \$7 million from local funding, leveraging the balance from the federal government. The funding would not be issued until a series of stringent conditions were negotiated with the hospital system.

"The DMC, like many hospitals with large Medicaid patient populations, has struggled financially," said Sen. Clark-Coleman. "It's my hope that this new agreement, combined with changes to the DMC governing board, will serve as a model for other urban hospitals under pressure to meet the needs of the poor and destitute."

Detroit Institute for the Arts Grant Eligibility Cap Defeated

A proposal to put a 10% eligibility cap for state grants to the Detroit Institute for the Arts (DIA) was ultimately rejected this summer by state leaders. If enacted, the proposal would have limited the DIA to 10% of the \$12 million in arts grant money included in the History, Arts, and Libraries budget. Last year, with no eligibility cap in place, DIA was awarded 18% of available state grant money.

"I'm glad that my fellow Legislators acknowledged that it was unfair to target the Detroit Institute for the Arts for an arbitrary eligibility cap," said Sen. Clark-Coleman. "The DIA provides services and support for the arts community statewide and should be allowed to compete freely for available grant money."

Dearborn Schools Benefit from At-Risk Funding

Dearborn schools, with some of the highest numbers of at-risk students in the state, may have benefited the most by the Legislature's decision to fully fund at-risk education programs. The recently passed K-12 education

budget earmarks \$4,677,000 in support for Dearborn's at-risk programs.

"Dearborn is fortunate to be home to many new immigrant families who are chasing the American Dream," said Sen. Clark-Coleman. Being new to our country, many of these families have children who are not yet fluent in English. In turn, the local school district has a much higher proportion of at-risk students who will benefit from the fully-funded education programs for dedicated language instruction.

Henry Ford and Wayne State University Sees Budget Cuts

Wayne State University was hit with a hefty 6.4% cut under the final higher education budget approved this summer. Only Michigan and Michigan State took larger cuts, at 6.5% each. Grand Valley State and Saginaw Valley State were the only state universities to receive funding increases.

Henry Ford Community College is one of 28 state community colleges that received 6% cuts under the final higher education budget. Most of the colleges will see 6.74% cuts, but Wayne County Community College received a 9.4% cut.

Task force Targets Consumer Protection Issues

The first in a series of fact-finding hearings probing the subject of consumer protection reform was held recently in Detroit. The purpose of these hearings, sponsored by the Michigan Senate Democratic Caucus, is to seek public feedback on consumer protection issues ranging from insurance reform, to privacy protection, to telemarketing.

The first hearing was held July 14th at St. John's Northeast Community Hospital. A second hearing was held in Muskegon on August 7. The final hearing was held in Saginaw on August 25th.

The issue of auto insurance redlining was a major concern at the first public hearing. There has been a growing public outcry as consumers in communities like Dearborn, Detroit, and River Rouge have seen their rates skyrocket in comparison to other areas of the state. In Detroit, for example, auto insurance rates have increased by more than 100% for some families, nearly 5 times above the rate of inflation.

In response to this problem, members of the Senate Democratic Caucus have already introduced several pieces of legislation to address insurance redlining and fairness issues including legislation to prohibit insurance companies from using an individual's credit history in determining insurance rates.

Legislation is also being prepared to deal with other consumer related problems. Bills are being drafted which would require the insurance commissioner to approve homeowners and auto insurance policy forms prior to them being offered in this State, require insurance companies to provide notification to policyholders regarding the cause of cancellation of a policy, and prohibit insurance companies from requiring policyholders to use a particular auto repair service or glass shop.

If you would like to make suggestions on potential consumer protection legislation or give testimony before the committee, please contact my office at 517-373-0990.

Registration for "Do Not Call" List Now Open



Consumers can now put their phone numbers on a national "do not call" registry to prevent unwanted telemarketing calls. This legislation, recently passed in the U.S. Congress, makes it illegal for most telemarketers to call a number listed on the registry. Consumers can register for free either online or by telephone. To register online, go to www.donotcall.gov. To register by phone, call 1-888-382-1222. If you register your phone number by August 31, 2003, most telemarketers must stop calling you beginning October 1, 2003. If you register after September 1, 2003, telemarketers must stop calling three months after you register.

Agreement to Provide Health Benefits to National Steel Retirees

Under a new agreement negotiated by state and federal officials, Blue Cross Blue Shield of Michigan will extend health care benefits to approximately 3,000 National Steel retirees who were at risk of losing their health care coverage. Under this agreement, the federal government will partially compensate BCBSM for extending benefits to most of the retirees who were scheduled to lose their health care coverage on August 1st due to the bankruptcy filing of National Steel Corporation.

Initially, the retirees were going to have a gap in coverage from Aug. 1 to Oct. 1 due to logistical problems but a solution was found to allow the health care insurer to set up a temporary program to provide benefits until a

permanent process comes online this fall. Retirees health care benefits will stay the same while the billing system is established.

The purchase of the bankrupt National Steel by U.S. Steel, earlier this year, made it possible to save the Great Lakes Steel Plant in Ecorse and River Rouge. This meant that the loss of nearly 3,000 jobs was averted. However, U.S. Steel was not obligated, under the terms of the buyout, to pick up the pension benefits of National Steel retirees.

Sen. Clark-Coleman was actively involved in the campaign to prevent the closing of the Great Lakes Steel Plant. She also pushed for state and federal authorities to come up with some type of agreement to extend health care coverage to the National Steel retirees.



Unemployment Insurance Extended

The Michigan Legislature returned in a special session this summer to approve a bill offering 13 weeks of additional unemployment assistance. Some 53,000 unemployed workers in Michigan could be eligible for the extended benefits.

The bill will use \$26 million from the state's unemployment trust fund to leverage another \$180 million from the federal government to provide the additional 13 weeks of benefits for workers who have run out of their current 26 weeks of benefits or may do so soon. Jobless workers may qualify for 13 weeks of additional assistance if their initial 13 weeks of federal assistance end anytime between the week of May 24, 2003 and December 27, 2003.

To trigger the federal funding, Michigan's total unemployment rate must average 6.5 percent or more for three months. Michigan is the fifth state to qualify for this additional federal assistance.



State Senator
Irma Clark-Coleman

P.O. Box 30036
Lansing, MI 48909-7536



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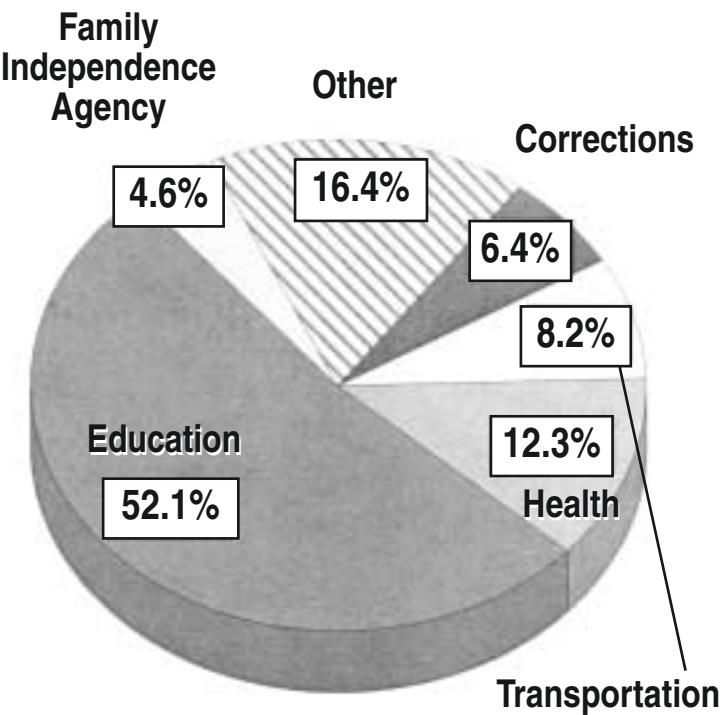


Dearborn VFW Honored. Sen. Irma Clark-Coleman invited members of VFW Post 2107 to participate in Memorial Day activities at the State Capitol. From left to right, Tom Hole, Sen. Clark-Coleman, Conner Coleman, and Ken B. Buss.



Coach Rick Miotke, Asst. Coach Harry Weaver (at the podium with Sen. Clark-Coleman), and the Renaissance High School Track Team are honored at the State Capitol by Sen. Clark-Coleman for winning their seventh consecutive state championship.

**State Spending
from State Resources
FY 2002-03 Year-To-Date Appropriations**



Total: \$25,945,005,504

FREE Publications Available

Please check the appropriate box(es) below, fill in your name and address in the space provided and return this entire coupon to: State Senator Irma Clark-Coleman, P.O. Box 30036, Lansing, Michigan 48909-7536 or you may fax your order to (517) 373-5338.

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